

MONTE VERDE RANCH, LLC

FACILITIES USE AGREEMENT

This Facilities Use Agreement is entered into by and between Monte Verde Ranch, LLC (MVR),

and _____ (“USER”), effective as of the date executed on behalf of MVR.

- A. USER desires to (i) board a Horse at the facilities of MVR, and/or (ii) use the facilities of MVR for the training of Horses boarded at MVR on the terms and conditions set forth below.
- B. MVR desires to make its facilities available to USER on the terms and conditions set forth below.

Now, therefore, in consideration of the foregoing recitals, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by USER and MVR, USER and MVR do hereby agree as follows:

1. Boarding Services:

1.1 Horse to be Board: This Agreement shall apply to the boarding of the Horse, and only that Horse, described on Appendix A hereto (“Horse”). USER acknowledges that it is the owner/lessee of the Horse. USER shall not board or attempt to board any other Horse at the facilities without a separate Facilities Use Agreement. Boarder will not move the Horse from its assigned stall without prior consent from the MVR.

1.1.1 Horses allowed: Mares and geldings. After 8/4/2015 no additional stallions will be accepted.

1.2 Boarding Services to be Provided:

1.2.1 Stall: MVR shall make available to USER the stall described on Appendix A for the boarding of USER’s Horse/Horses.

1.2.2 Boarding Services: In addition to the provision of the stall identified on Appendix A, MVR shall provide standard services for feeding hay (twice per day), water, shavings as needed for barns A and B and space cleaning (a minimum of once a day). In addition, MVR will provide USER access to arenas. MVR facilities are made available only on a first-come basis. No representation or guarantee is made by MVR with respect to the availability of any facilities. No other services shall be provided by MVR unless expressly agreed to in writing.

1.2.3 Additional cleaning or extra work needed to maintain the stall area dry due to excessive urination from an animal will be subject to \$50 fee extra per month. There may be an extra charge assessed for any out of the ordinary maintenance work required by the MVR to fix water leaks from dispensers installed or provided by the USER if the Horse breaks them repeatedly.

1.2.4 Tack Rooms: MVR has limited tack room space. Private tack rooms may be made available to USER for an additional fee. Tack rooms are only to store the necessary Horses’ tack and supplies.

1.2.5 Permitted Uses of Facilities: USER may use the facilities of MVR for pleasure riding and training by USER of the Horse described in Appendix A. USER may not train other riders or train other Horses unless USER has first complied with the provisions of Section 2, below. USER agrees that he/she shall not engage in the training of other riders and/or other Horses unless USER first complies with the provisions of Section 2, below.

2. Use of Facilities for Training:

2.1 Trainer activities: USER shall not use the facilities for the training of Horses other than the Horse identified on Appendix A, nor shall USER use the facilities for the training of any other riders unless USER shall have first complied with the provisions of this Section 2. If USER complies with the provisions of this Section 2, USER shall have use of the facilities for the training by USER of Horses and riders. Only Horses boarded at the MVR may be trained by USER or used for the training of riders.

2.2 Facilities Provided for Training: USER will have access to arenas for training purposes. MVR facilities are made available only on a first-come basis. No representation or guarantee is made by MVR with respect to the availability of any facilities for training purposes. No other services shall be provided by MVR unless expressly agreed to in writing.

2.3 Insurance: USER shall not undertake the training of any Horse (other than any Horse identified on Appendix A) or the training of any riders unless USER shall first have provided to MVR a certificate of general

liability insurance evidencing coverage for all training activities to be undertaken by USER at facilities in a minimum amount of \$1,000,000 per claim and \$2,000,000 in the annual aggregate and adding Monte Verde Ranch, LLC as additional insured. Failure to provide such certificate shall be a material breach of this Agreement and shall permit MVR to immediately terminate this Agreement without prior notice and without opportunity to cure.

3. TERM/TERMINATION

3.1 Term: The term of this Agreement shall commence on the date this agreement is signed and continue on a month-to-month basis thereafter until terminated as herein provided.

3.2 Termination. This Agreement may be terminated as follows:

3.2.1 By either party without cause upon thirty (30) days prior written notice to the other party. Notice shall be given in the form of email or letter via regular mail.

3.2.2 By MVR if USER fails to cure a breach of any provision of this Agreement within ten (10) days after written notice by MVR of such breach.

4. RENT AND OTHER CHARGES:

4.1 All stall and boarding fees and tack room charges (collectively, "Rent") payable under this Agreement as set forth by the MVR and shall be due and payable in advance on the first day of the month. USER shall pay MVR upon the execution of this Agreement the sum required by the MVR as Rent for any partial first month and the first full month. Rent for any partial month will be prorated on the basis of a 30-day month.

4.2 Rent and any other charge not paid within seven (7) days after it becomes due shall be considered delinquent. In the event of any such delinquency, USER agrees to pay to MVR, in addition to such Rent or charges, a late fee in the amount of \$25.00 per Horse, for each month or partial month of delinquency. In addition, unpaid Rent or other charges shall bear interest from and after the date of such delinquency at the rate of one percent (1%) per month or the maximum amount allowed by law, whichever is less.

4.3 Rent and all other fees and charges, and the availability of any extra service(s) are subject to change upon 30-day notice.

5. SECURITY DEPOSIT:

5.1 USER shall deposit with MVR upon execution of this Agreement the sum equal to one month's rent as security for USER's faithful performance of USER's obligations hereunder. If USER fails to pay rent or other charges due hereunder or otherwise defaults with respect to any provision of this Agreement, MVR may use, apply, or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which MVR may become obligated by reason of USER's default, or to compensate MVR for any loss or damage which MVR may suffer there by. If MVR so uses applies all or any portion of said deposit, USER shall, within 10 (ten) days after written demand therefore, deposit sums with MVR in an amount sufficient to restore said deposit to the full amount hereinabove stated and USER's failure to do so shall be a material breach of this Agreement. MVR shall not be required to keep said deposit separate from its general accounts. If USER performs all of USER's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by MVR shall be returned within seven (7) days, without payment of interest or other increment for its use, to USER at the expiration of the term hereof, and after USER has vacated the premises including the tack room. No trust relationship is created between MVR and USER with respect to said security deposit.

Security deposit cannot be applied to last month's rent, unless authorized by MVR in writing. Document must be signed by MVR, dated and attached to boarder's agreement prior to cancellation of board.

6. USE OF PREMISES:

6.1 USER shall comply with all Rules and Regulations of MVR as posted and/or delivered to USER from time to time during the Term of this Agreement. The Rules and Regulations are intended to allow all persons using the facilities reasonable use and enjoyment of the facilities and contain limitations that are reasonably necessary for the safety and convenience of others and to preserve and protect the facilities of MVR. The Rules and Regulations may be amended from time to time by MVR, in its sole and absolute discretion. USER agrees to obey and be bound by all Rules and Regulations of MVR, including any modifications or additions thereto during the Term of this Agreement.

6.2 USER agrees that the Rules and Regulation of MVR apply to all guests of USER that come onto the MVR property, including but not limited to pets/dogs. USER agrees to be responsible for all USER's guests and/or

pets while on the MVR property, including but not limited to any incidents, injuries, or damages relating to or caused by such guests or pets, and also to be responsible for said guests adherence to all the Rules and Regulations. USER may not bring more than one dog onto the MVR premises. Any dog brought on to the MVR premises by USER must be restrained by a leash at all times or be kept in a dog pen and may be barred from the premises if, in the opinion of MVR personnel, the dog is disruptive or poses a danger or hazard to any Horse or person or disrupts the peace and quiet of the facility with barking.

6.3 MVR facilities are not open to the public and MVR reserves the right to refuse admission to anyone, or to limit the number or activities of guests.

6.4 USER shall not bring any Horse (other than any Horse listed on Appendix A), or allow any other person to bring any Horse, onto the MVR premises without prior written consent of MVR.

6.5 USER hereby assumes full responsibility and obligation to supervise any minor that USER brings, causes to bring or allows upon the MVR premises. MVR may exclude from the MVR premises any minor who is not properly supervised.

6.6 USER hereby assumes all risk of loss of or damage to all personal property, Horse tack and equipment and agrees to hold MVR harmless from any claim, liability or obligation therefore.

7. RISK OF LOSS TO AND CARE OF BOARDED HORSE:

7.1 MVR does not provide training, special observation, or night observation for any Horse and assumes no obligation to do so and shall not have any liability to do so. Notwithstanding the foregoing, if, during provision of services pursuant to this Agreement, MVR makes reasonable observation of the Horse and observes any condition or event that MVR determines, in its sole and absolute discretion, to threaten the safety and well-being of the Horse, other Horses or any personnel, MVR may take such actions as MVR determines, in its sole and absolute discretion, to be appropriate for the safety and well-being of the Horse and other Horses and personnel on the MVR premises.

7.2 MVR is not liable for any loss or injury to the Horse from any cause, including, but not limited to, any sickness, disease, stray, theft, death or injury which may be suffered by the Horse or which results in death, damage or injury of any kind and from whatever cause, including the negligence or omission of MVR. USER hereby releases MVR from any and all obligation, liability, or claim of any kind or nature arising from or related to any such injury or damage and further agrees to hold MVR harmless therefrom, including specifically, without limitation thereto, assumption of or reimbursement of the cost of defense, including attorney's fees, expenses, and all other costs of the matter.

7.3 USER is advised, but is not required, to carry his/her own insurance on Horse in an amount consistent with USER's valuation of the Horse. Further, it is strongly recommended that USER insure the Horse in an amount that USER and/or USER's advisors believe to be appropriate and consistent with their assessment of the value of the Horse.

7.4 USER shall provide MVR with the names, addresses, and telephone numbers of the veterinarian(s) that MVR should call and use whenever needed for Horse. USER agrees to update such list not less often than every six (6) months. In case of emergency, if those designated by USER are not available, MVR is authorized to use any other veterinarian that may be available.

7.5 MVR may use reasonable efforts, but has no obligation, to contact USER whenever MVR believes there is a need for veterinary service or whenever any other problem is observed in connection with Horse. However, MVR is authorized to act without contacting and without the permission of USER when in the opinion of MVR immediate attention is required. USER agrees to pay, and hold MVR harmless from, all charges incurred in any such event.

7.6 USER agrees to maintain the Horse with a regular program of immunizations, worming and tooth care to preserve the health and comfort of Horse and for the protection of all other Horses on the MVR. USER agrees to comply with any minimum requirements of care and precaution that may be included in MVR Rules and Regulations from time to time.

7.7 USER is responsible for making any special care or needs arrangements for USER's Horse, and/or for posting signs or warning regarding same; MVR is not responsible, and assumes no obligation or liability, for posting warning signs or making communication specific to USER's Horse or its special needs, requirements or conditions. If USER's Horse has special needs, dietary restriction or handling requirements, MVR is not responsible but it will take all possible steps to accommodating such needs or precautions.

7.8 USER agrees to advise MVR in advance whenever Horse will not be boarded at MVR overnight for any reason, and whenever possible, USER will advise MVR in advance when Horse will return. There shall be no reduction in Rent for any absence of Horse.

8. RELEASE AND HOLD HARMLESS:

8.1 USER acknowledges, represents and warrants that USER is fully aware of the risks and hazards in, or associated with, participation in horseback riding and/or the training of Horses or other riders (the "ACTIVITIES"). Accordingly, with full knowledge of such risks and hazards, USER assumes all risk of loss, damage, including property damage, and injury, including bodily injury and death, that may be sustained by USER and any guest, student or other person brought caused or allowed to enter upon MVR property by USER ("USER Invitee"). USER, on behalf of USER, and USER's dependents, legal representatives, executors, heirs, successors and assigns hereby release, discharge, and agree to indemnify and hold harmless, Monte Verde Ranch, LLC, their members, managers, trainers, instructors, employees, agents, successors and assigns (collectively referred to as the "Released Parties") from any and all claims, demands, lawsuits, judgements, arbitrations, , actions, causes of action, awards, liability and expenses, including attorney fees, arising out of, or in any way related to any loss, damage (personal property or otherwise), or personal injury, including bodily injury and death, that may be sustained by USER or any USER Invitee while observing, participating in, or preparing to participate in, the Activities or in connection with the activities or Released Parties relating to the conduct of the Activities.

8.2 By signing this Agreement, USER acknowledges that USER has read this Release of Liability and further acknowledges and understands that this Release of Liability is binding on USER and USER's dependents, legal representatives, executors, heirs, successors and assigns. USER agrees to assist MVR in obtaining the same executed releases of liability from every USER Invitee. USER shall advise every USER Invitee of the risks associated with the Activities before allowing such person on the MVR premises.

9. DEFAULT:

9.1 In the event of a breach by USER of any of the terms or conditions of this Agreement or in the event of a default in the performance by USER of any obligations under this Agreement, including, but not limited to, default in the payment of any Rent or other charges, MVR shall be entitled to any and all remedies provided by law. The exercise of any one remedy shall not exclude any other remedies. Available remedies include a possessory lien against Horse for all Rent or other charges incurred under this Agreement. In addition to all other remedies, in the event USER defaults in the payment of Rent or other charges, MVR may discontinue all special or extra services contracted for and provide only those services necessary to maintain the health of the Horse, but not including exercise.

9.2 USER further agrees that in addition to the possessory lien against Horse boarded pursuant to this Agreement, any Rent or other charges becoming past due under this Agreement shall be and constitute a possessory lien against any and all other Horses boarded by USER on MVR premises under any other boarding agreements or otherwise, and that all such Horses shall be subject to such lien regardless of the amount of the lien or the value of Horse.

9.3 USER acknowledges that if Horse is being retained on a possessory lien for delinquent charges, MVR shall have the right to take possession of Horse and refuse USER any use or control, and or move Horse to different and possible lesser accommodations in order to protect and preserve said possessory lien; USER agrees not to interfere with exercise of said possessory lien.

9.4 In the event of any default by USER in the payment of any Rent or other charges, then in addition to the possessory lien against any Horse, USER hereby grants MVR a lien against any and all other personal property, including, but not limited to, any Horse tack or equipment, personal effects, Horse trailers, or other vehicles, belonging to USER and located on MVR premises; and hereby authorizes MVR to take possession thereof and hold same subject to satisfaction of such obligations.

9.5 Any and all collection cost (including attorney fees) incurred by MVR to secure payment of any sums due and any and all other costs incurred by MVR to enforce any provisions of this Agreement (including attorney fees) shall be borne by USER.

10. HOLD OVER:

10.1 If USER fails to remove Horse immediately upon termination of this Agreement, USER will be charged, and USER agrees to pay, for each day of such holdover period, rent for continued boarding of the Horse ("Holdover Rent") at the rate of 125% of the Rent for the last month of the then-expired Term of this Agreement, calculated and due daily based on a 30-day month. Such Holdover Rent shall not entitle USER to use, and USER shall not have the use of, paddock areas or arenas during any such holdover period.

10.2 Any such holdover and acceptance of payment of Holdover Rent by MVR shall not be deemed as a waiver of the termination of this Agreement and shall not limit or waive any right MVR may have to evict USER or to recover the full amount of charges due for such holdover or both.

10.3 Upon termination of this Agreement for any cause, MVR may contract with others for occupancy of the stall or other space made available to USER under this Agreement. USER acknowledges that any holdover may cause damage to MVR. In the event of any holdover, USER assumes liability for, and agrees to pay, any such damage to MVR, and further agrees to indemnify and hold MVR harmless from any liability, cost, loss, claim, expense or damage of any kind or nature that MVR may suffer as a result of such holdover.

11. DISPUTES/ARBITRATION:

11.1 Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, in which the amount in controversy is equal to or exceeds five thousand dollars (\$5,000.00) shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgement on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitrators will be chosen utilizing AAA's standard procedure, i.e., they shall be chosen from a list provided by the case administrator, with the administrator inviting persons to serve from the names remaining on the list, in the designated order of mutual preference. One neutral arbitrator, who shall be a judge or an attorney, shall be utilized. In no event shall the arbitrator(s) be empowered to assess punitive damages, and, if any punitive damages are assessed as part of an award, such enforcement shall not be enforceable under this Agreement.

11.2 In the event of any action, proceeding or arbitration arising out of or based upon this Agreement, the prevailing party shall be entitled to the costs and disbursement of such action, arbitration, or proceeding, including reasonable attorney's fees, expenses and all other costs of the matter.

11.3 In the event such court proceeding or arbitration shall take place while the USER remains on MVR premises, then the acceptance of Rent and other charges by MVR shall not constitute a waiver of its rights or claims.

12. MISCELLANEOUS:

12.1 This Agreement may not be assigned by USER without the prior written consent of MVR. Any attempted assignment without the consent of USER shall, at the option of MVR, constitute a material breach of this Agreement and shall permit MVR to immediately terminate this Agreement without prior notice and without opportunity to cure.

12.2 Except as otherwise provided herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors in interest.

12.3 This document represents the entire agreement of the parties and there are no other representation or understandings except as contained herein; and there shall be no change, modification, or addition to this Agreement except by writing executed by both parties.

12.4 In all instances in which the designation "MVR" is used herein, particularly with reference to indemnification or holding MVR harmless, said designation will be deemed to include all members, managers, directors, owners, partners, officers, employees, agents, invitees, persons or entities with ownership interests in the property, structures and/or surrounding grounds, and any other person connection with MVR in any manner.

12.5 Any notices that are required to be given under this contract may be given by personal deliver in writing, by email or by certified mail, postage prepaid, return receipt requested. Notice shall be deemed delivered as follows: (i) if by personal delivery, on the date of such personal delivery, and (ii), if sent by certified mail, on the earlier of the date of receipt or three (3) days after the date of mailing. Mailed notices shall be addressed as set forth on the signature page of this Agreement. It is USER's responsibility to inform MVR in writing if USER has a change of address or any other changes that are related to this Agreement.

12.6 CERTIFICATION BY USER: USER WILL / WILL NOT (CIRCLE ONE) CONDUCT TRAINING ACTIVITIES DESCRIBED IN SECTIN 2.1

IN WITNESS THEREOF, the parties have hereunto set their hand at _____, California
on _____, 20_____.

MONTE VERDE RANCH, LLC

USER

By: _____

Printed Name of USER

USER's signature

Date

Owner of Horse (if different from USER)